

6 Tracts on Money vol 5
COMPARATIVE VIEW
OF THE
NOMINAL VALUE
OF THE
SILVER COIN
IN
ENGLAND and FRANCE,

And of their Influence on the Manufactures and
Commerce of each respective Kingdom.



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A
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IT is the opinion of authors, of great eminence, that *silver* was, anciently, the only metal, of which money was made, and that, although the increase of commerce, and the general intercourse between nations, had introduced the making of *gold coins*, for the more easy paying of large sums of money, and *copper coins*, to answer small payments, yet, that silver, alone, ought to be the *measure of commerce*. Wherefore I shall, at this time, confine myself to the consideration of the silver coins only, as they are now established in *England*, and in *France*.

It is evident, from history, that the pound, troy weight, of silver, did formerly pass in
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England for *a pound of account*, which was divided into 20 shillings; and each shilling into 12 pence. And that in France, the same weight of silver pass for *one livre*, and each livre for 20 solz, and each sol for 12 deniers, and that this division, of coin, and of account, was followed by several other nations in Europe, under other denominations.

It seems to be verified, by the history of the Exchequer, that it was a pound troy weight, of fine silver, which pass in England for a pound of account: and, it is probable, that it was the same which pass in France for a livre, that is a pound, in their accounts.

The pound weight, of English silver coin, contains 11 oz. 2 dwt. fine silver, and 18 dwt. alloy, and is cut into 62 shillings: wherefore 12 oz. fine silver, is valued, in the mint, at 67 shillings, and something more, which makes the nominal value, 3. 35 times, what it was formerly.

The French mark, of 8 oz. contains 3780 grains troy weight, and by the king's edict of the 15th day of June 1726, the mark is cut into $8\frac{3}{8}$ crowns, each crown to pass for 6 livres: and therefore the mark is $50\frac{1}{4}$ livres, and the pound troy weight, containing 5760 grains, passes in France for $76\frac{1}{2}$ livres. And, as this coin is only 11 oz. fine, and 1 oz. alloy, 12 oz. fine silver are valued, in the French mints, at nearly $83\frac{1}{2}$ livres: which makes the nominal value of fine silver, in France, to be

83 $\frac{1}{2}$ times more than it formerly was. Thus the nominal value of silver coin in France, is raised near upon 25 times more, than the nominal value of silver coin in England, has been raised.

If it were true, that the raising of the nominal value of coins, is always destructive of the commerce of the nation where this is done; it is more than probable, that the commerce of France would have been long since, annihilated: whereas we find, that, on the contrary, the commerce and navigation of that nation have gradually increased, notwithstanding the vast augmentation of the nominal value of their money. And, perhaps, it may appear, upon a fair inquiry into this matter, that this augmentation of the nominal value of their coin, has contributed, very much, to the increase of the commerce of France, by enabling that nation to work up manufactures, &c. for exportation, at a cheaper rate than the English can.

It is most certain, that, the primary view of the governors of trading nations, in regulating the nominal value of their coin, ought to be, to procure ease to the subjects, and to facilitate domestic commerce, which will naturally encourage labour, industry, arts, and manufactures: and, for what relates to foreign commerce, every government may safely rely upon the skill of merchants, who, by their experience, and for their own benefit, will be

able, and very careful, to adjust the par of value, between the money of their own country, and that of other nations, with whom they traffick.

It is not the intent of the writer of this paper, to recommend an augmentation of the nominal value of our coin. He is sufficiently acquainted with the situation of England, and with the nature of the publick credit of this his happy and flourishing country, and with the private credit of the individuals in it, to have any such intention. But, he presumes, it will not be an, entirely, unuseful speculation, to inquire, how it has happened, that the French, notwithstanding the many discouragements they have had, and do still labour under from the nature of their government, have made such amazing improvements in manufactures, trade, and navigation, as to become the most dangerous rivals of Great-Britain, the asylum of liberty, in all those inestimable blessings, which have, generally, been looked upon as attendant only upon the industry of the inhabitants of free states, and never to be acquired by the abject subjects of despotic power. And if it shall appear, that this wonderful phenomenon has, in a great measure, arose from the augmentation of the nominal value of the money of France, it may help to calm the minds of some desponding persons among us, who attribute the advantages the French have over us, in making up manufacture

tures cheaper than we can, to the heavy taxes we pay: and at the same time it may serve as a strong inducement to us, to pay those taxes chearfully, since we know that they are brought upon us, by the noble, and (by the divine blessing) successful struggles we have made, to preserve our liberty, that precious jewel, which is our principal support against our most powerful and inveterate rivals.

It will be admitted, by all persons who are acquainted with the commercial laws and institutions of France, and with the royal edicts, for establishing and encouraging manufactures and colonies, that the famous *Colbert*, and the French ministers who have succeeded that great man, have constantly paid great attention to the improvement of manufactures, trade, and navigation. Yet, it is more than probable, that all these prudent institutions, and the great care taken to have them punctually obeyed, and to prevent the encroachments of foreigners, could not have raised the commerce and navigation of France, to the pitch of perfection they were lately at, if the augmentation of the nominal value of their coin, had not very much assisted therein.

It is certain, that this was purely accidental, with respect to the benefits the subjects got thereby; for, it is well known, that, to ease the subject, was not the motive for making these augmentations; but that, all the alterations, as well the lowering, as the raising of
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the coin, during the last king's reign, were acts of arbitrary power, exercised, to draw money into the prince's coffers, out of the purses of his subjects, and from foreigners, who had money in France; in order to support him in the destructive wars he carried on, for accomplishing his ambitious intentions to humble his neighbours to a dependancy on his crown: and that the alterations made, in the now king's reign, were, chiefly, in consequence of schemes for sponging off the debts of the crown. However, it has so happened, that, after the temporary shocks and confusion, which attended these arbitrary tricks of legerdemain with the coin, had subsided, the augmentation of the nominal value of the coin, to the state it now is in, has afforded universal ease to the subjects, by enabling them to pay taxes, to discharge their debts, and to carry on domestic trade with great facility. Thus, it has brought to pass a completion of the maxim we have before mentioned, viz. *that the primary view of the governors of trading nations, in regulating the nominal value of their coins, ought to be, to procure ease to the subjects, and to facilitate domestic commerce.*

We omit giving a detail of the several alterations made in the silver coins of France, since they were upon a par of nominal value with the silver coins of England; because, this would be a work of needless curiosity, and not essentially necessary to our present purpose. And

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we conceive, that it will be sufficient, barely to observe, that there have been very large quantities of silver imported from America into Europe, of which, it is probable, as large a share has fallen to France, as came to England; so that this augmentation of silver, doth very little affect the subject we are now upon.

The increase of the quantity of silver, and of gold also, as it is made a measure of commerce, has increased the nominal value of the rent of lands, and of the prices of their products, and of labour, industry, &c. in the civilized parts of Europe. And the augmentation of the nominal value of coin, in any nation, must have had a like additional effect, in that nation. But it is plain, from experience, that the increase of the rent of lands, &c. has not kept an exact pace with the increase of the quantity of their common measure, gold and silver, neither in Europe in general, nor in all the particular nations of this quarter of the globe, according to the nominal value set in those nations, on coins made of these precious metals.

Thus, the rent of land, and the price of all the product thereof, and of labour, &c. have risen greatly in England, since the augmentation of the nominal value of our silver coin, from 20 shillings the pound weight of fine silver, to 67 shillings. And as this rise of rents &c. is supposed to be, in a higher ratio, than the augmentation of the nominal value of our silver

silver coin, an event that is owing to the blessings of heaven on our constitution of government in church and state, which secures the liberty and property of the subject, is benevolent to all mankind, and encourages the arts of peace, among a numerous, honest, humane, and industrious people, we must add to the augmentation of the nominal value of our silver coin, as much for the increase of silver and gold in Europe, as will support our conjecture, that the rent of lands, and the price of labour, &c. are six times more, in nominal value, at this time, than they were, when the pound of fine silver passed for a pound of account. And to shew that this conjecture is not entirely without foundation, it may be observed, that it is said, in the *chronicon pretiosum*, that the price of wheat was 7 s. 2 d. a quarter, when silver was at 1 s. 8 $\frac{1}{2}$ d. an oz. and if we suppose the price to be six times more now, it will make 43 s. a quarter, which is not a bad medium price for wheat taken for some years past. And, as labour was then, at 3 d. a day, it may be now supposed, to be about 18 pence a day. Thus these two instances of the price of wheat and labour, seem to show, that the rents of land, and the price of labour, &c. have kept a pretty even pace with the increase of silver, &c. in England. Let us now see how it stands with respect to France.

The nominal value of their coin being augmented near 83 $\frac{1}{2}$ fold, it follows, that if the
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rents of their lands, and the price of the products thereof; and of their labour, industry, &c. had kept pace with the augmentation of the nominal value of their silver coins, it must at this day, be near $83\frac{1}{2}$ times more, than it was, at the time that one pound of fine silver pass'd for one livre of account. And there must be added thereto, for the increase of silver and gold in Europe, of which it is supposed as large a share has fallen to France as to England, as much as has been added in the case of England, for that article, and then, the increase of the rents in France, and the prices of their products, and of labour, industry, &c. must be 86 times more than they were, when the pound of fine silver pass'd in France for 20 livres only, to hold pace with England: but this, is very far from being the case of France, which could not possibly rise by arts of peace, under its arbitrary and turbulent governors, notwithstanding the accidental ease given to the subjects, by the augmentation of the nominal value of their coin, and the wise regulations, carefully pursued, for establishing of manufactures and colonies, and for the improvement of commerce and navigation, in proportion with England; however, it will require the utmost vigour of the sons of liberty, to oppose the incroachments of their inveterate enemies the French, nor is it amiss to warn them (as this paper is intended to shew cause why they should be warned) of the advantages which those, our justly to be dreaded

rivals in trade, may have over us, by means of their coin being of so much a higher nominal value than the coin of England.

Although there are various, and very widely different, opinions, of the number of people in England, yet it seems, to be generally allowed, that their annual expence, one with another, is 8*l.* a head, which is equal to 28.646 oz. of fine silver, in the mint of England. And, if it be supposed, that the expence of the French, is $\frac{1}{3}$ of the expence of the English, then it will require, 9.548 oz. of fine silver, equal to 2*l.* 13*s.* 4*d.* English money, equal to 66 liv. 8 solz. French money (in their mints) for the expence of each head of the French nation. But, this allowance, however low it may appear to Englishmen, who are accustomed to live higher than Frenchmen, and who do not consider the effects of the high nominal value of coin in France, is undoubtedly too high: for, if it were a just allowance, it would follow that the rent of lands, and the price of their produce, and the value of labour, industry, &c. in France, have risen above ten times more than they have risen in England; since the time, that a pound weight of fine silver, was a pound of account in England, and a livre of account in France. A fact which, it is believed, the most sanguine advocate for France, will not attempt to prove, by as good evidence, as has been herein before produced, in the articles of wheat and labour, to shew, that a sixfold increase

crease has arisen in England, in the rents of lands, &c. from the increase of gold and silver, and from the augmentation of the nominal value of our coin: however, in order to establish a foundation, upon which we may proceed, with some degree of certainty, and, to avoid the imputation of exaggerating matters, let it be admitted, altho' not allowed as true, that the value of labour, industry, &c. is increased ten times more in France, than in England: and this concession shall be complied with, when we come to compare the expences of England, and of France, in making up manufactures.

It may readily be perceived, from what has been said, that the French have obtained great ease and facility in carrying on their interior commerce, by the increase of gold and silver, and the high nominal value of their coin. The *common measure* of the rent of lands, and of their produce, which are the natural support of man's life, and the general basis of domestick traffick, have been by these means multiplied 86 fold; whereas the rent of lands, and the prices of provisions, &c. has at most increased, by the concession herein before made, only 60 fold. This would signify little to us, if nothing, but the dealings of the French among one another, were affected by the augmentation of the nominal value of their coin. But, as this enables them to carry on their foreign

reign commerce, with uncommon benefit, it is proper to consider it in that light.

We might rest the whole upon what has been already said. For, if according to the doctrine of our many writers on this subject, the prime cost of manufactures, &c. is to be estimated, according to the expences of the persons employed in producing of them, it is evident, that the French requiring only one third of the expence of the English, in fine silver, may, if as cheaply supplied with the materials, and if they are as skillful as the English, make up manufactures, by two thirds cheaper than the English can. And thus, they will be enabled to traffick in foreign countries, with uncommon benefit, over the English.

But, in order to set this matter in a clearer and a more mercantile light, it will be proper, first to settle the par of value in the present silver coins of England and of France.

A pound troy weight of fine silver appears to be, in the mint of England, 67.027 shillings, and a like pound weight of the like silver, is valued, in the mints of France, at 83.454 livres French money, wherefore, as 83.454 livres French money, are equal to 67.027 shillings English, so are 3 livres (the French crown of exchange) equal to 2.409 shillings English, equal to 28.9 pence English money. And one livre is of equal value with 9.63 pence English, and this appears to be the true par of exchange between

between the two nations, stated upon the foot of the fine silver, current in each nation.

Now, let us suppose the subjects of each nation employed, with equal skill, in making up a manufacture, from materials, which they have, of an equal value, of their own produce, or from other countries, and that the undertakers give an equal number of pence English, and of deniers French, which were, as may be said, synonymous terms, and of equal value, in former days; and, let us compute how matters will stand between the two nations.

Let it be supposed, for this purpose, that the English undertaker pays to the persons employed in making up his goods, at a medium of all persons employed therein from the raw material, 18 pence a day, to each person; and, that the undertaker of the same kind of manufacture in France, pays 18 deniers French money, to the persons he employs: it follows, that computing the value of the manufacture to be 100 *l.* English money, it will cost the English undertaker 29*lb.* 10 oz. of fine silver, at 67.027 shillings per pound weight. And as 9.63 pence English, are equal to a French livre, which contains 240 French deniers; so the 18 deniers per day, paid by the French undertaker to the persons employed by him, are not worth above 7.2225 decimals of a penny English. But as we have, by way of concession, admitted, that the price of labour, &c. is increased in France, ten times more

more than in England, this fraction must be multiplied by 10, and it will make 7. 2225 English money. And then, as 18 pence English, are to 7. 2225 pence English, equal to 180 French deniers : so are 29. 838*lb.* of fine silver, paid by the English undertaker, to 11. 972*lb.* of fine silver, paid by the French undertaker, for his manufacture. And, thus it appears that the manufacture has cost the English 29. 838*lb.* of fine silver, which at 67. 027 shillings per pound weight amounts, to 100*l.* and that the French have made up the like manufacture, for 11. 972*lb.* of fine silver, which, valued at the same rate, amounts to 40*l.* 2*s.* 6*d.* and the difference in favour of France is 17. 866 pound of fine silver which, at 67. 027 shillings per pound weight, amounts to 59*l.* 17*s.* 6*d.*

The comparison, between the undertakers of manufactures in England, and in France, has been here made, in weight of fine silver, valued at the rate of the coin issued from the mint of England, in order to show, more clearly the advantage, which the French have over us, by the superior nominal value of their coin. But altho' the comparison is, justly and candidly stated, yet I do, with pleasure, declare that I do not imagine the French have, *as yet*, attained such a degree of skill in making the manufactures, wherein they more immediately rival us, as to be able to avail themselves, of all the advantage they have over us, by the high nominal

nal value of their coin. But it is too true, that they are, already, able to undersell us, in several foreign markets; and it is lamentable to think, that some of our merchants, tempted by the low price of woollen manufactures in France, buy them there, and carry them to foreign countries, where they sell them as English manufactures. Nor are our merchants to be blamed for this, with any more justice than we should blame French or Spanish merchants, for carrying on the same traffick. It is the business of merchants, to buy cheap and sell dear. They acquire knowledge of the superfluities, and wants of nations; and they are acquainted with the comparative value of gold and silver in all countries. They never deal in bringing to the places where they live, any of those precious metals whilst they can have an opportunity of employing them, to benefit, in foreign traffick, or in bringing home foreign commodities. The exchange of London is filled with merchants of all nations, and languages. Thus this great city is become, as it were, the *emporium* of the trading world. This is owing to our happy constitution in church and state, and it would be a dangerous project to restrain the industry of our merchants in carrying on their traffick from one foreign country to another. The chief business of the governors of trading nations is to be attentive to their affairs at home (by which word *home* I would be understood to include our colonies and foreign settlements)

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by procuring ease to the subjects, and facility in carrying on their domestic traffick, and to be watchful in preventing foreign incroachments, and, as profit is the general view of merchants, we may safely rely on their skill and care in carrying on foreign traffick, to the best of their private advantage. The industry of merchants may be compared to that of bees, and the bringing of gold and silver into the countries where the former live, to the gathering of honey and wax into the hives of the latter; but, if merchants be disgusted, by bad œconomy at home, they, as citizens of the world, can easily transport themselves and their riches to other countries, to the impoverishment of the country they quit, and the enriching the country they fly to; whilst the bees, when destroyed, or drove from their hives, leave their riches behind them.

And, if it be true, that our merchants, *even now* deal in French manufactures, in the manner here mentioned, we have great reason to apprehend, it will grow much worse with us, when peace is restored, if the French should have such ministers as *Colbert* or *Fleury*, to conduct their affairs. The consequences of such a revolution as might be made, in the commerce of Europe, *by such* ministers, are to be dreaded.

Wherefore it is hoped, that in making a peace, we may take care to obstruct the French in pursuing a maxim established among them, viz,

viz. That, to make peace in order to procure to ourselves all the advantages of an extensive commerce, is to make war upon our enemies.

A knowledge of the nature of coin, and of the just par of the value of coin, between nation and nation, and of the effects which the lowering and raising of their nominal value, have, as well upon trade in general, as upon the commerce of nations where these operations are performed, is without doubt, very useful, if not very necessary, in a trading country. Wherefore, it may be presumed, that these papers will meet with a favourable reception. They have been wrote for amusement, in some hours which lay heavy on the author's hands; and with a view of stating, in the light it appears to him, a question which he conceives to be of great importance to the welfare of his country. And as he is not over tenacious of any opinion he entertains, upon affairs of this nature, he declares that he will most chearfully assent to the rectifying of any error that may appear in these papers; and he assures the reader, that if there are any errors in them, they have proceeded from inadvertency, and not from a design to impose upon him.

We have omitted taking notice of the gold coin of England and of France, in order to avoid perplexing the question under consideration. If it be fully shewn, that the French have obtained by the present nominal value of their silver coin, surprising advantage over the

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English in manufactures (and which in the same manner affect the foreign commerce, navigation, &c. of both nations) it is to be hoped, that the many writers we have, on these kind of subjects, will be more cautious, than they have been, in attributing the disadvantage England labours under, to the heavy taxes we pay; especially, as it is well known, that the taxes in France, in times of peace as well as of war, are heavier, and levied in a much more severe and burthensome manner, upon industrious husbandmen, manufacturers, traders and other mechanicks, than in England. And it is to be observed, that the nobles, and several persons who enjoy offices, and employments, and their lands, are exempted in France from paying many of their taxes.

Not having leisure to amuse myself much longer, with this subject, I shall conclude this paper with a few remarks.

First, As it is evident that the high nominal value of the coin of France, gives that nation very great advantage over us, and indeed over many other nations in Europe, in trade, &c. it seems proper to avoid adding to that advantage, by lowering the nominal value of any part of our coin, or by permitting any of the colonies or countries dependant on Great-Britain, to lower the nominal value of the coins current among them.

Secondly, As the liberty, and security of property, enjoyed under the happy constitution of

of our government, in church and state, have evidently, been principal causes of our great opulency, and of our having obtained a superiority in trade, &c. over the wilely practices of France; and as these, with our skill in trade and manufactures, and our public and private credit are, in all human probability, the only means we have to enable us to maintain that superiority, it appears advisable, nay necessary, that we should chearfully employ our utmost efforts, to preserve these inestimable blessings, which we so eminently enjoy, under the auspicious reign of *the best of kings*, and to secure the enjoyment of them to our latest posterity, under the government of princes, descending from his most illustrious, and royal person.

Upon the whole, it is submitted to the consideration of the public, how much it would obstruct France in her career, to gain a superiority over England, in commerce, navigation, and naval power, if the nominal value of their coin, were reduced to the state it was in the year 1681; at which time, and for many years after, the mark of French silver, passed for only 28 livres; whereas it now passeth for $50 \frac{1}{4}$ livres. And as it is allowed, by French writers, that seamens wages, and the price of labour, and of corn, &c. are not higher now, in France, than they were in the year 1681, (at which time France had a formidable navy, a comparative view of the expences of England, and of France, in building, fitting out, manning, &c. ships of war, and merchant-

merchant-ships, at this time, would demonstrate, in a most striking manner, what the writer of this paper has intended to shew, viz. That the French have obtained very great advantages over England, in making up manufactures, and in commerce, and navigation, by the superior nominal value of their coin.

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